



Industrial Assurance Act 1923

1923 CHAPTER 8

Special Provisions as to Collecting Societies

6 Name of collecting societies

In the case of any collecting society registered after the thirty-first day of December, eighteen hundred and ninety-five, or of a society which becomes a collecting society after the passing of this Act, the last words in the name of the society shall be "collecting society," and the society shall use its registered name on all documents issued by it and no other name.

7 Deposits by collecting societies

- (1) Every collecting society shall be under the like obligation to deposit and keep deposited the sum of twenty thousand pounds as an industrial assurance company, and section two of the Assurance Companies Act, 1909, as applied by this Act to industrial assurance companies, shall apply accordingly, subject in its application to collecting societies to the following modifications :—
- (a) For references to the Board of Trade, there shall be substituted references to the Commissioner;
 - (b) Subsection (3) shall not apply;
 - (c) In the case of a society registered and carrying on industrial assurance business at the passing of this Act, the deposit shall be made before the commencement of this Act; but in any particular case the Commissioner shall, if satisfied as to the financial position of the society at the time of the passing of this Act, postpone the time for making the deposit to some time within five years after the commencement of this Act, and shall, on the application of the society from time to time, further postpone the time for making the deposit if he is still satisfied as to the financial position of the society, but not for more than five years at any one time ;
 - (d) In the case of a society commencing to carry on industrial assurance business after the passing of this Act, the deposit shall be made before the society commences to carry on such business:

Status: This is the original version (as it was originally enacted).

- (e) In the case of a society applying after the passing of this Act for registry under the Friendly Societies Act, 1896, or for the registry of amendments of its rules, if the proposed rules of the society or the proposed amendments are such as will enable the society to carry on industrial assurance business, the Commissioner shall not issue to the society an acknowledgment of registry of the society or of amendment of rules, as the case may be, until the deposit has been made:
 - (f) A collecting society shall not be required to make a deposit in respect of any business other than industrial assurance business, but, subject as aforesaid, subsection (4) of the said section shall apply.
- (2) If a society feel aggrieved at a refusal of the Commissioner to allow further time for making a deposit under paragraph (c) of subsection (1) of this section, the society may, with the leave of the court, appeal to the High Court or, in the case of a society registered in Scotland, to the Court of Session.
 - (3) If the Commissioner is satisfied that a collecting society has made default in complying with the provisions of this section, the Commissioner may award that the society be dissolved and its affairs wound up.
 - (4) This section, so far as it relates to a society commencing to carry on industrial assurance business or applying for registration or for registration of an amendment of rules enabling it to carry on industrial assurance business after the passing of this Act, shall come into operation on the passing of this Act.
 - (5) Where the rules of a collecting society (hereinafter in this subsection referred to as a subsidiary society), whether registered before or after the passing of this Act, provide that the management of that society shall be vested in the committee of management of some other friendly society (hereinafter in this subsection referred to as the principal society) which was registered before the fourth day of August, nineteen hundred and twenty-one, then—
 - (a) the principal society may make on behalf of the subsidiary society the deposit required to be made by this section and may apply any of its funds for that purpose, and in that case the interest on the deposit, or the securities in which the deposit is for the time being invested, shall be paid to the principal society and not to the subsidiary society ; or
 - (b) the principal society may guarantee the liabilities of the industrial assurance fund of the subsidiary society to the extent of twenty thousand pounds in such manner and subject to such amendment of rules as the Commissioner may require, and the principal society may amend its rules accordingly; and if the Commissioner is satisfied with such guarantee he may accept the guarantee in lieu of the deposit required by this section.

Where the principal society is a society with branches, the rules of the society may provide for the central body of the society borrowing from the branches and the branches lending to the central body funds required for making such a deposit as aforesaid.

8 Provisions to be contained in rules

- (1) The rules of a collecting society shall provide—
 - (a) for a separate account being kept of all receipts in respect of the industrial assurance business transacted by the society, and for those receipts being

carried to and forming a separate fund under the name of the industrial assurance fund; but nothing in this provision shall be construed as requiring the investments of the industrial assurance fund to be kept separate from the other investments of the society;

- (b) for the industrial assurance fund being as absolutely the security of the owners of the industrial assurance policies as though it belonged to a society carrying on no business other than industrial assurance business, and not being, liable for any contracts of the society for which it would not have been liable had the business of the society been only that of industrial assurance, and not being applied directly or indirectly for any purposes other than those of the industrial assurance business of the society, so however as not to affect the liability of that fund to the prejudice of persons interested in contracts entered into by the society before the fourteenth day of February, nineteen hundred and twenty-three;
 - (c) for separate valuations being made of the industrial assurance business of the society.
- (2) Save as otherwise provided by the rules of a collecting society, being rules registered before the fourth day of August, nineteen hundred and twenty-one—
- (a) the rules of a collecting society shall contain the tables in accordance with which policies of industrial assurance are issued by the society ; and
 - (b) no policy shall be issued by a collecting society otherwise than in accordance with the rules of the society and with the tables for the time being in force as set forth in those rules.
- (3) Such of the provisions of this Act as are mentioned in the First Schedule to this Act shall be set forth in the rules of every collecting society.

9 Obligation to deliver policies and copies of rules

- (1) A collecting society shall deliver free of charge to every person on his becoming a member of or insuring with the society a printed policy signed by two of the committee of management and by the secretary, together with a copy of the rules of the society in force at the time :

Provided that—

- (a) in the case of a family enrolled in one book or card, one family policy and one copy of the rules shall be sufficient;
 - (b) if the rules of the society in force at the time of the issue of the policy are printed in easily legible type on the policy, it shall not be necessary to deliver a copy of the rules in addition to the policy.
- (2) A collecting society shall also supply to any such person at his request free of charge a copy of any subsequent amendment of the rules of the society.
- (3) A collecting society shall also deliver to any member or other person on demand and on payment of a sum not exceeding one shilling, a copy of the rules of the society in force at the time.

10 Exemptions, total and partial

- (1) The Commissioner may, on the application of a society registered or applying for registry, grant to the society a certificate of exemption from all or any of the provisions

of this Act, in any case where he is satisfied that the society does not or will not carry on the business of effecting assurances upon human life, premiums in respect of which are received by means of collectors at a greater distance than ten miles from the registered office of the society, and where he is of opinion that the society is not one to which those provisions ought to apply.

- (2) A certificate of exemption under this section shall be granted subject to the condition that the society will not employ collectors to receive premiums on policies issued by the society at a greater distance than ten miles from the registered office of the society, and, if in the case of any society to which a certificate of exemption has been so granted, the said condition is at any time not complied with, the society and any collector so employed shall be deemed to have contravened the provisions of this Act, and this Act shall be deemed as from the date of such non-compliance to have applied to the society as if no such certificate of exemption had been granted to it.
- (3) The certificate shall be subject to revocation by the Commissioner, but shall remain in force until so revoked, and until notice of the revocation has been advertised in the Gazette and in some newspaper in general circulation in the neighbourhood of the registered office of the society, and also transmitted by registered letter to the society.
- (4) Where at the commencement of this Act there is in force a certificate of exemption issued under section eleven of the Collecting Societies and Industrial Assurance Companies Act, 1896, or the corresponding provision of any Act repealed by that Act, the certificate shall, after the commencement of this Act, continue in force until revoked and have effect as if it were a certificate issued under this section exempting the society from all the provisions of this Act.

11 Special provision as to juvenile societies

- (1) Where a juvenile society within the meaning of this section established before the passing of this Act has been accustomed to receive contributions from its members by means of collectors, the provisions of this Act shall not apply to the society before the first day of January, nineteen hundred and twenty-five, and, if any such society is or has before that date become registered, the Commissioner may, if he considers that the society is one to which the provisions of this Act ought not to apply, grant to the society a certificate of exemption from the provisions of this Act subject to the like power of revocation as in the case of certificates of exemption granted under the last preceding section.
- (2) For the purposes of this section, "juvenile society" means a friendly society or branch thereof, whether registered or unregistered, admission to membership whereof is by its rules limited to persons under eighteen years of age, and which satisfies the Commissioner that it is established for the purpose of recruiting members for another friendly society or for the society of which it is a branch.